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ALASKA ECONOMIC TRENDS

Alaska's Labor Shortage

Is There A Nurse In The House?

1990 Census

Spill Work Force Demobilizes

ALASKA DEPARTMENT OF LABOR STEVE COWPER, GOVERNOR December 1989

ALASKA ECONOMIC
TRENDS

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Alaska's Labor Market: From Surplus to Shortage

By Neal Fried and Holly Stinson

Two years ago the thought that Alaska would be facing labor shortages any time soon was unimaginable. Alaska was in the midst of a deep recession — more than 20,000 jobs had been lost, the unemployment rate was 10.9%, and the number of unemployed was a record 28,000. Employers were swamped with applicants.

By mid-1988 the labor picture began to change. There were reports that some employers were having problems finding enough workers, particularly for restaurant and retail trade jobs. Although these reports seemed incredulous, given the severity of the recession, they persisted. By early 1989 reports of shortages were commonplace, not only in low-paying, low-skilled jobs but in all major occupational categories.

In addition to reports of labor shortages among employers, most of the State Employment Centers began reporting a lack of job applicants. The ratio of available applicants to job openings steadily fell. Adding confirmation to the situation was the "Help Wanted" listings in the newspapers, which climbed quickly. (See Figure 1.) Then the demand for workers for the oil spill cleanup made an existing situation worse, and labor shortages became front-page news.

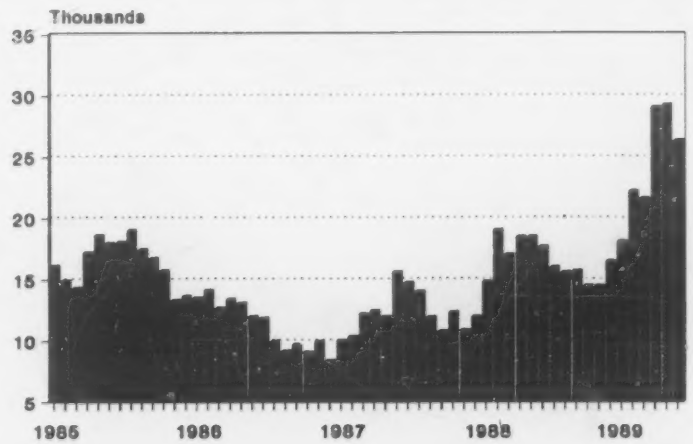
Shortages New In Alaska But Not In The Rest Of The Nation

Although the subject of labor shortages is a recent topic in Alaska, it has captured the attention of most of the rest of the nation for the last 4-5 years. The country is in its seventh straight year of economic expansion. This expansion has been accompanied by an ever-tightening labor market.

In addition to the increased demand caused by economic expansion, another reason for the nation's tightening labor market is demographics. The national baby bust of the 1970s and early 1980s means that the number of young workers (aged 15-24) is falling and will continue to fall through 1995. Why is the national demographic picture so important to Alaska? Because it is this age group of job seekers who traditionally make up the largest contingent of workers migrating to Alaska. There are fewer of them now, and there will be fewer of them in the future.

Figure 1

"Help Wanted Inches" 1985-1989*



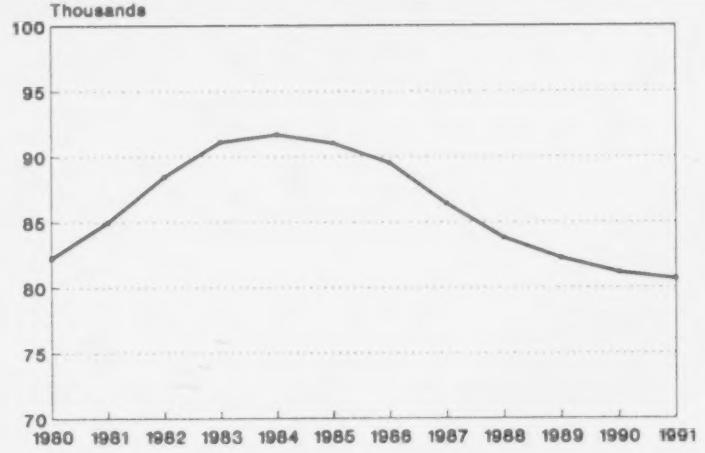
* Through September 1989
Source: Anchorage Daily News (includes both Anchorage newspapers)

Alaska's Demography Changing

Alaska's demographic makeup is also contributing to labor shortages, particularly for employers who depend on younger workers. As the national percentage of young adults is falling, so is Alaska's. The 15-24 year-old population peaked in 1984 and then began a steady decline. The decline is projected to continue into the 1990s. (See Figure 2.) A lower number of potential young migrants to Alaska, plus fewer young workers already here, adds up to a labor crunch in this age group.

Figure 2

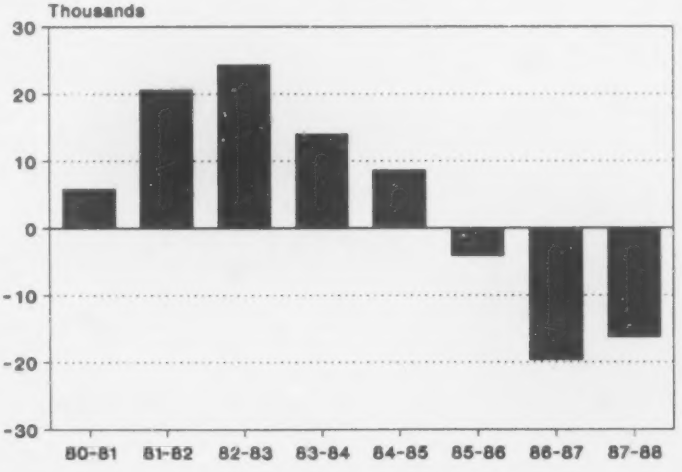
Alaska's Younger Population Declines
(15-24 Year Olds)



Source: Alaska Department of Labor, Research & Analysis Section.

Figure 3

Net Migration of Alaska's Population



Alaska No Longer The Nation's Employment Mecca

Changing demography isn't the only reason why fewer young workers are seeking their fortunes in Alaska. Reputation is also playing a role. For many, Alaska is no longer perceived as the "land of opportunity" it once was. The recent recession discouraged some job seekers. This holds true not just for young workers, but for workers of any age.

Traditionally, higher Alaskan wages were the major drawing card for people moving to the state. Because of the recession of 1986-1988, income has been lagging in Alaska. At the same time, income in much of the rest of the nation has been rising. Higher Alaskan wages are no longer luring people north. And, probably most important, there are abundant employment opportunities closer to home for most of these potential job seekers.

Alaskans Being Pulled, Pushed Out of State

The booming national labor market has not only kept job seekers from coming to Alaska but it has in turn enticed many Alaskans to jobs elsewhere in the country. There is a group that is being "pulled" out of the state by the opportunities offered in the robust national labor market. Increasing wages and a brighter future in other areas of the country look ever more attractive for some workers. This appears to be particularly true for those individuals employed in the technical and professional fields. Some are already saying Alaska is experiencing a "brain drain". Little concrete evidence of this theory exists, although there is ample anecdotal evidence of this possibility.

Other workers were "pushed" out of the state. For many who lost their jobs during the recession there was little choice — a move out of Alaska was necessary to survive financially. Just how many Alaskans faced this situation is evidenced by population counts. During the recent recession Alaska's

population dropped by 16,600. The losses began in 1985-86, peaked in 1986-87 and continued through 1988. (See Figure 3.)

Survey Adds to Reports of Shortages

To add to our store of reports on labor shortages, we conducted a survey of 100 private employers during the second and third weeks of August. Included were employers of every size, from every industry and region of the state. Almost half of the firms surveyed reported labor shortages. Regardless of whether a firm experienced a labor shortage, half the firms surveyed said they had fewer applicants for job openings than in past years.

While some employers blamed their smaller or nonexistent labor force on the oil cleanup effort, 2/3 of those reporting shortages said they had been experiencing them before the spill happened.

More than half of the retail trade firms surveyed reported labor shortages. Other industries where the majority of surveyed firms had difficulties filling openings included construction, manufacturing and finance-insurance-real estate. So what are the occupations employers are finding hard to fill?

Table 1

A Partial List of Shortage Occupations

Service Industry

Babysitter
Baker
Cashier
Cook (& All Other Restaurant Help)
Courier
Day Care Provider
Floral Designer
Hairdresser
Housekeeper
Janitor
Maid
Nanny
Sales Clerk
Salesperson
Security Guard
Service Station Attendant
Travel Agent

Transportation

Auto Body Repairer
Mechanic, Aircraft
Mechanic, Auto
Mechanic, Heavy Equipment
Mechanic, Marine

Clerical

Bookkeeper
Secretary
Teller
Word Processor

Health Care Field

Dental Assistant
Medical Assistant
Medical Technologist
Nurse, Licensed Practical
Nurse, Registered
Physical Therapist

Professional and Technical

Accountant
Civil Engineer
Computer Programmer
Electronic Technician
Lawyer
Paralegal
Surveyor

Construction

Carpenter
Electrician
Plumber

Manufacturing

Seafood processor

Some Occupational Shortages Identified

Table 1 is a partial list of occupations employers are having difficulty filling. We compiled this list by looking at records from and talking to managers of Employment Service Offices around the state; we also used information gathered from the survey. We discovered that the shortages are not concentrated in any one geographic area or occupation type.

Lower-paying service, retail, and food service jobs make up an important share of the hard-to-fill jobs. But so do higher-paying skilled construction occupations — a surprise for an industry that lost more than 12,000 jobs and shrunk to less than half its former size. Openings for journeymen-level electricians, plumbers, welders, and carpenters went unfilled during the 1989 construction season. These shortages cannot all be attributed to the increased demand for workers created by the oil spill cleanup effort. It also illustrates the degree of attrition that has taken place in Alaska during the past four years. Many of Alaska's workers in the skilled trades left to pursue their vocations in the booming construction markets on the East and West coasts.

Occupations in the health care industry show up on the shortage list in disproportionate numbers. Topping the list are registered nurses. Most of the hospitals in the state are recruiting. The nursing shortage is also a well-publicized national problem. (See Is There A Nurse In the House? beginning page 7.)

Finding enough dental assistants is also difficult. The University of Alaska Anchorage Dental Program is placing all of their graduates and can't fill all of their requests. Another sign of how tight many of the medical fields have become is the experience of UAA's Medical Assistant Program. Most of these students are recruited by employers before they ever complete their programs.

None of the shortages in the health care field are unique to Alaska. It is a national phenomenon because the health care field has been growing so rapidly. Training is often lengthy, and wages may be too low to attract enough workers.

A low wage is also a factor in the dearth of clerical workers. Chronic shortages occur in these occupations. Part of the reason for the clerical shortage is that it is often difficult to find individuals with up-to-date skills on new specialized computer equipment.

Even occupations which offer higher wages show up in Table 1. Many of the shortages in professional and technical occupations are a reflection of the increasingly competitive national market for highly trained professional and technical occupations.

Labor Market Varies Among Regions and Employers

Not every part of Alaska is sharing the same tight labor market situation. Some areas haven't had an increase in jobs or a drain on the labor pool. High unemployment rates linger in parts of the state, particularly in rural areas.

And some employers have no trouble filling jobs that are highly sought after by the work force. These jobs usually pay well, offer steady employment, have opportunities for promotion, good retirement or other benefits, or a combination of the above attributes. Only one of the companies we surveyed from the mining industry (which includes oil and gas employers) said they were having trouble finding qualified applicants to fill their open positions.

What is the Solution? - Matching Workers to Jobs

The long-term answer to labor shortages is to match the labor force's education and skills to the jobs available. But assessing the future labor market and trying to match the labor force to that market is not a quick or easy task. Even assuming the assessment is correct, both the labor market and the labor force are fluid. New technology can make drastic changes in occupations or even create new ones. And the labor force is mobile, as shown by the exodus from Alaska in recent years. Now that the economy is expanding and new jobs are being created, the people often aren't there to fill them. So even the best forecast of matching people to jobs can go awry.

For some occupations the number of people needed may be accurate, but shortages will continue to exist until wages are higher. In these occupations the prevailing wages (and benefits) are simply not high enough to offset the duties of the job.

For many occupations, the labor crunch can end when a sufficient labor force is educated or trained for the job. However, people may have to devote several years to the education or training necessary for the job, so catching up to the shortage can take a long time.

Higher Wages an Obvious but Expensive Solution

A solution that commonly jumps out as the obvious one is to increase the compensation paid. Employers can often fill jobs by offering increased wages or increased benefits, such as additional paid vacation time. However, many employers are reluctant to do this for several reasons.

Offering a new employee more money or benefits than existing staff can wreak havoc in an office or job site. It is also an expensive and inflexible answer to the problem. Later, when many qualified applicants may be available for the position, the compensation offered rarely decreases. Also, many employers are locked into a strict salary schedule and couldn't take advantage of this solution if they wanted to. And higher wages in turn increases the cost of doing business, which translates into higher consumer prices. As evidence that this solution wasn't popular with employers, only 7.5% of the surveyed firms that had taken some action as a result of the labor market situation reported raising wages.

There's A Variety of Other Solutions

There are many other short-term solutions to labor shortages besides increasing wages or benefits. Although they are not as expensive as increasing wages, they are not cost-free to the employer.

One of the first actions an employer takes when faced with shortages is to implement new recruitment methods. Advertising in different media, over a wider area or in specialized publications can attract qualified applicants. In the survey we conducted, almost one-third of the employers experiencing labor shortages had already done this. Figuring there was a better chance of drawing people to Alaska who live in a similar climate, one employer in the survey targeted his advertising to the upper midwestern states.

As another alternative employers may lower their entry requirements for a job. That is, they will hire people with less training or experience than desired, and devote more time to on-the-job training. Employers can also deal with labor shortages by reducing employee turnover and therefore reducing the need to find new employees. Cash bonuses and incentives such as additional vacation time are two tools employers use to reduce turnover.

Sometimes it is possible for employers to restructure jobs in the face of a labor shortage, thereby eliminating the need for certain hard-to-fill positions. If a cook is hard to come by, hiring a less-skilled person to do preparation work might do away with the need for an additional cook. There's also the Orwellian solution of eliminating the position altogether with automation.

Employers can increase their labor pool by offering transportation to the job site. This is especially true with young or low-income people who don't have

Shortages Can Be More than a Matter of Money

A labor shortage exists when employers fail to attract enough workers at the prevailing wage (that is, the wages commonly paid in an occupation in a specific region). Usually shortages disappear when wages increase because additional workers are attracted. Higher prevailing wages may also lessen demand because some employers will no longer want the same number of employees at the higher wage.

However, higher wages do not always solve the problem. When wages increase and there still aren't enough applicants to fill the jobs available, economists term the situation a "supply-inflexible" shortage. They occur most often in occupations that require long periods of education and training, such as computer programmers and physical therapists.

Supply-inflexible shortages are made worse when demand unexpectedly increases. An example of this happened in the early 1980s when the demand for petroleum geologists in the oil industry went beyond the number available to work.

Even when higher wages might solve a shortage, wage inflexibility can prevent it from happening. Inflexible wages are often a problem for public institutions where a fixed compensation structure is slow to respond to changing market conditions. For example, there are many qualified college professors who have opted for higher-paying jobs in private industry instead of being tied to a lower-paying job on a school's outdated salary schedule.

Besides labor market conditions, there are other reasons for shortages. Persistent shortages occur in occupations perceived as having low status or undesirable working conditions. Examples of low-status occupations that are difficult to recruit for are dishwashers and domestic workers.

It's important to keep in mind that some reports of labor shortages are false. Employers who won't pay the prevailing wage are not being competitive, instead of suffering from shortages. False shortages are also reported by employers who became accustomed to the luxury of choosing their ideal candidate from a large pool of applicants during periods of high unemployment. In 1986 and 1987 this was the type of labor market that prevailed in Alaska.

their own vehicles and must rely on public transportation. Another way to increase the labor force is to shift work, when possible, to rural areas that have an abundance of unemployed workers.

Another way to increase the labor pool is to offer on-site child care. Employer contributions for off-site child care can also help, but are limited by the availability of day care centers. Qualified workers can and often do spend years absent from the labor force. While some prefer to spend the time raising children, others would jump at the chance to work full or part- time if adequate facilities were available for their children. Even without offering day care assistance, an employer may be able to attract applicants by offering flexible working hours.

Quick Solutions Often Necessary But Less Than Ideal

Quick solutions are sometimes dictated because there is no other choice. Hiring temporary help is one quick solution. That's assuming, of course, there is also no shortage of temporary help, which is often not the case.

Lengthening the current staff's hours is another quick but sometimes necessary solution. It is usually also a less-than- ideal solution. Longer hours put a strain on employees and can result in costly errors and bad customer relations. A good example of this was provided by the oil spill's aftermath this year. The labor pool in many towns dried up as existing and potential employees left to work on the spill cleanup. Without an influx of new workers businesses were left to fill the gap with their remaining workers.

When Will Today's Labor Market Situation Change?

Although the demand for oil spill workers contributed to labor shortages, today's employment situation didn't happen overnight. Workers left Alaska over a period of several years. But since there wasn't a demand for additional workers during those years, their absence wasn't felt in the labor market. Now that the economy is expanding, Alaska's smaller work force is becoming painfully evident.

However, the labor force is not static. Using some of the above solutions would help bring the supply of workers more in line with the demand for them. If employers used any one of the above solutions more local residents might enter the labor force. They might also entice workers from other states to move north. Shortages are likely to remain in occupations which don't pay substantially more than elsewhere. Reimbursing some or all of an employee's relocation expenses might offset the lack of a wage differential.

People who wanted to move to Alaska for reasons other than high wages may again start arriving when they hear that jobs are available. The fact that Alaska was in a recession received much publicity across the nation. It may take awhile to spread the news that some jobs are now going begging.

Today's rosy employment situation in much of the nation could change at any time. Just as Alaska's recession turned into economic growth, the nationwide expansion could end tomorrow. If that scenario arrives, the transportation routes to Alaska would again be filled with economic refugees, regardless of prevailing wages. The shortage of labor could end in just a few months. On the flip side, Alaska's expansion could also end tomorrow, and with it the demand for new workers.

Labor Shortages: A Problem For Some, Boon For Others

Labor shortages carry costs for both employers and society. For the employer it can mean increasing the cost of doing business because of higher wages, growing recruitment expenses and additional time spent training. This in turn can cause prices to increase, which in turn effects all consumers.

On the other hand, labor shortages are a boon to job seekers. Higher wages, better benefits, rapid advancement and greater opportunity for the difficult to employ are all positive aspects for job seekers during a labor shortage. Labor shortages tend to force employers to reach deeper into the pool of unemployed.

"Full employment" was a common goal two decades ago. The same condition today is called a "labor shortage". Employers and governments alike bemoan its existence. But one person's misfortune is another one's gain, and to a job seeker labor shortages are a boon. And it's important to keep in mind that the opposite condition, labor surpluses, create hardship for unemployed workers.

The perfect situation is when the labor market is in equilibrium — when there is almost that ideal match between jobs and workers. Some might say Alaska's labor markets almost achieve this balance periodically. But given our past track record, our size, and location, we are probably more often attempting to achieve this goal than actually accomplishing it.

About the authors:

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Is There A Nurse In The House?

By Cristina Klein

Probably not — Alaska is experiencing its share of a nationwide nursing shortage — a shortage which demonstrates the interrelationship of occupational supply and demand.

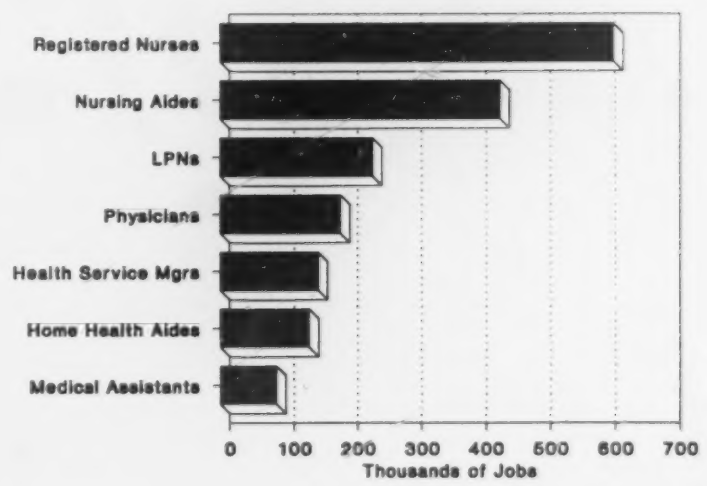
The nationwide nursing shortage began in 1986 when demand outpaced the supply of 1.6 million registered nurses. Registered nurses include those with bachelors of science in nursing (BSN) degrees and associate degrees who have passed a licensing exam. In Alaska, the shortage exists primarily in rural areas and in specialized hospital programs like critical care and obstetrics.

Demand Is Outpacing Supply, With No Relief In Sight

The number of nurses has grown slowly but steadily, doubling in the last 30 years. However, according to U.S. Department of Health and Human Services (DHHS) 1988 estimates, there were 117,000 vacant nursing positions in hospitals and 21,000 vacant positions in nursing homes nationwide. At the beginning of 1987, 83% of the nation's hospitals reported nursing shortages. Eighteen percent of large urban and nine percent of rural hospitals had to close understaffed wards. Meanwhile, occupational projections for the health care industry show no signs of a slowdown in the demand for nurses through the year 2000. (See Figure 1 & inset on page 8.)

Figure 1

Health Occupations With The Most New Jobs, U.S., 1986-2000



Source: U.S. Bureau of Labor Statistics.

Compensation & Working Conditions are Among the Reasons for the Shortage

The nursing shortage has been extensively analyzed and there are several commonly accepted reasons for the shortage. The following reasons are most often cited when explaining the nursing shortage in the United States' and the Alaskan labor markets:

- *Expanding Career Choices for Women*– Women, who traditionally

Why Is The Demand For Nurses Increasing So Quickly?

Health care is becoming more diverse. The growth of HMOs (Health Maintenance Organizations) and community based and out-patient services like home health, ambulatory and preventive care have increased the demand for RNs.

The population is aging. RNs are needed in a variety of convalescent and extended care facilities that rely on sophisticated equipment and treatments. An American Association of Retired Persons study in 1987 shows that 31% of all health care expenditures are provided to Medicare recipients who are 65 or older, although the U.S. Census Bureau figures show that people over 65 made up 11% of the 1980 population. Health care services for the elderly are expected to increase well into the 21st century when postwar "baby boomers" reach retirement age.

The AIDS epidemic has created a need for specially trained nurses to deal with the increasing number of seriously ill patients.

Cost containment moves, like DRGs (Diagnostic Related Groups) and Medicare legislation are putting pressure on patients to leave hospitals quickly. Treatment is intensified, requiring more nursing care.

Health care technology is changing. Medical care is rapidly becoming a 1950s science fiction fantasy of costly, technologically complex equipment and treatments. Specially trained RNs, more cost effective than MDs, are needed to operate this equipment and to administer treatment.

Management options now exist for nurses. RNs are needed in risk management, quality assurance, and vocational rehabilitation programs.

have made up a high percentage of the nursing profession, now have more career options. Mobility and job availability, two attractions to nursing, are being eclipsed by other job opportunities which offer women better wages and more advancement.

- *Compensation* – Nursing salaries plateau after 6-8 years and benefits are usually limited. These two factors drive nurses into other employment.
- *Working Conditions* – Are often difficult because of irregular hours, perennial understaffing, and lack of authority; these drawbacks are more significant now that there are greater career options for women, including the option of becoming the physician.
- *Changing Roles for Nurses* – The cost effective use of RNs for a wide variety of technical and administrative responsibilities has dramatically increased the demand for RNs.

In Alaska, Experienced Rural Nurses Are in Shortest Supply

In Alaska, the shortage is, in part, a lack of experienced RNs to work in rural areas. These rural positions require experienced nurses who can work without supervision in isolated locations with few amenities.

There is an overall vacancy rate at private Alaska hospitals of about 6-7%, slightly lower than the national average which, in April 1988, was 7.6%. Like hospitals in the rest of the U.S., Alaska hospitals have acute nursing shortages in wards that require specialized training, like critical care and obstetrics.

A Typical Alaskan Nurse- Urban, White, & Working in a Hospital

In 1988, the Alaska Department of Commerce, Division of Occupational Licensing, sent out a nursing survey with license renewal forms to all nurses licensed in Alaska. In the summer of

1989, the Alaska Department of Labor, Research and Analysis staff compiled and analyzed these data.

A total of 4,431 of the 5,147 nurses licensed in Alaska responded to the survey (86% response). However, the total number of licensed nurses includes more than 600 new RN and Licensed Practical Nurse (LPN) applicants in 1989 who would not be included in a licensing renewal survey. Other licensed nurses may have moved permanently out of Alaska and therefore did not renew their licenses.

Of the nurses responding, there were 3,808 RNs (86%) and 589 LPNs (13%). Thirty-four nurses did not specify what type of license they hold. Eighty percent (3,523) of these nurses are living in Alaska. The remainder are living throughout the U.S. and in other countries. Of those nurses who are living and working in Alaska, more than 50% work in a hospital, and 53% of all respondents reported living in Anchorage. (See Figures 2 and 3.)

Of those responding, Alaskan Natives and other minorities represented less than 10% of the nurses in Alaska. Only 65 respondents were Alaskan Natives, 1.5% of the total. Of these, 46 are working in the nursing field and nine are working in rural areas of Alaska.

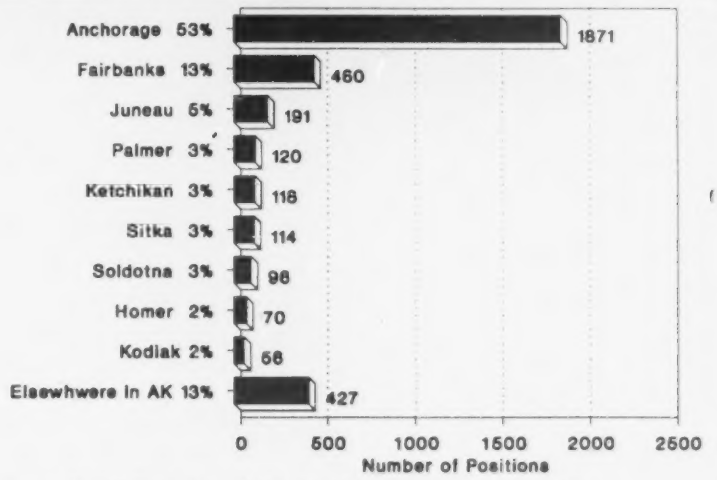
Ninety-one percent of the nurses living in Alaska are working either full-time (67%) or part-time (33%) in the nursing field. According to a 1988 survey conducted by the American Nursing Association, about 80% of licensed nurses in the U.S. are working in the nursing field. This means that there is an even smaller pool of nurses available for employment in Alaska than there is elsewhere in the U.S.

Why Are Licensed Nurses Choosing Not to Nurse? Family and Low Salaries Among the Reasons

To gain insight into what makes licensed nurses choose not to nurse, the responses of 151 licensed nurses who were not nursing were analyzed. (See Figure 4.) The leading cause for nurses not nursing was family or other personal priorities which kept them from taking a nursing job. Child-rearing and care of other relatives were often factors. Salaries or working conditions which were unacceptable were listed as the second and third leading causes for nurses not working in nursing.

Figure 2

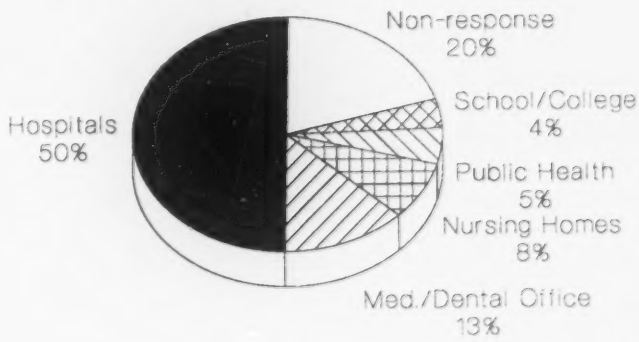
Communities in Alaska Where 50 or More Nurses Work



Source: Alaska Department of Labor, Research & Analysis Section, 1988 Nursing Survey.

Figure 3

Work Settings for Alaska Nurses



Source: Alaska Department of Labor, Research & Analysis Section, 1988 Nursing Survey.

Large Hospitals, Public Sector Provide Many Nursing Jobs in Alaska

Of those nurses who are working, many are employed in large private hospitals or by the public sector. State and federal government account for a total of 670 nursing positions in Alaska. According to the Division of Personnel, the State of Alaska has 277 nurse and public health nurse positions. The U.S. Department of Health and Human Services (DHHS), Division of Public Health, has 101 public health nurse positions and the federal Indian Health Service has 292 positions.

Job openings for nursing positions occur regularly. Between July 1988 and June 1989, the Alaska Employment Service received job orders for 112 RNs. Since many RNs go directly to hospitals and public health agencies when looking for employment, the actual number of job openings for RNs in the state was higher than this figure.

Average Hourly Wages – $12.12 for LPNs $15.61 for RNs

The Alaska Department of Labor conducts an annual wage rate study and published the results in *Alaska Wage Rates for Selected Occupations, 1989*. The wage rate survey sampled the employers of approximately 12% of nurses working in Alaska. The average wage rates for RNs and LPNs in Alaska and six geographic regions of the state are shown in Table 1.

Nursing Education in Alaska – Addressing the Need for Nurses

The University of Alaska, unlike universities in the rest of the U.S., has experienced full enrollment in its nursing programs for several years. Each year, between 45 and 50 nursing students graduate. Some of these students do course work in Fairbanks and complete their degree at University of Alaska, Anchorage (UAA).

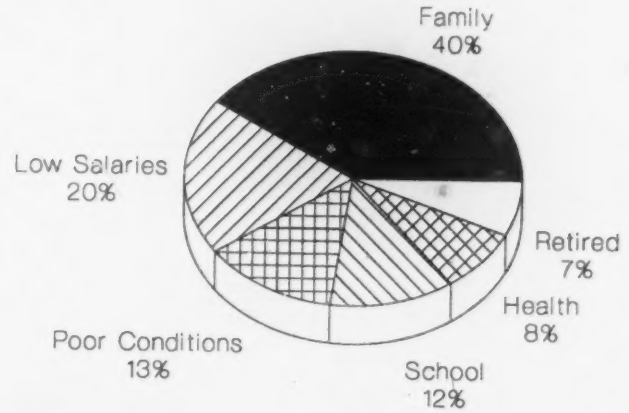
The graduate nursing program has three masters in science specialties (family nurse practitioner, community health, psychiatric mental health) and graduates ten to fourteen students each year. And the UAA College of Career and Vocational Education graduates about 30-38 nurses annually with associate degrees. There is a two year waiting list for entrance to this program.

In response to the shortage in rural areas, Kuskokwim College in Bethel has started a nursing preparatory program on a three year grant from the U.S. Department of Health and Human Services, Division of Nursing, Special Projects Grant Program. Eleven to twelve students a year are expected to take preparatory courses which they will complete with an associate nursing degree at the UAA College of Career and Vocational Education.

Because of a lack of clinical settings in which nurses can receive training, there is a limit to the number of registered nurses who can be trained in Alaska. There is a particular shortage of pediatric clinical settings in the state. Therefore, the number of registered nurses graduating from Alaska nursing programs cannot keep up with a growing demand — a demand which partially stems from the opening of new facilities like long term care centers.

Figure 4

Reasons Alaska Nurses Are Not Practicing



Source: Alaska Department of Labor, Research & Analysis Section, 1988 Nursing Survey.

Competing for Nurses – Employers Offering Higher Pay, Incentives

The effects of more competition for the nurses that are available are manifesting themselves in the Alaskan labor market. For example, the Alaska Department of Administration, Division of Personnel, raised the salaries for fifteen nursing job classes as of July 1, 1989.

Private hospitals have been offering a variety of incentives to attract nurses. These incentives include new employee bonuses, moving expenses, referral bonuses, increased benefits, payback of student loans, increased salaries and direct reimbursements to nurses for tuition costs. Hospitals have also advertised out of state and have attempted to hire foreign, particularly Canadian, nurses.

Varied Solutions Offered to Solve Alaska's Nurse Shortage

Other states are beginning to address the nursing shortage, and some of these solutions may be models for Alaska to follow. At least twenty-seven states have passed, or are considering, legislation to address the nursing shortage. Legislation and programs include accelerated forgiveness of student loans, scholarship programs, the development of community health corps, collective bargaining for nurses, child care, task forces to look into the shortage, and increased pay and benefits.

Nursing directors and administrators, teaching professionals, and others studying the nursing shortage in Alaska, make the following recommendations to solve the nursing shortage in Alaska:

- To keep experienced nurses in the field, (particularly in hospitals where nurses complain of poor conditions as well as inadequate pay): Increase pay and benefits and give nurses more authority.
- To attract new entrants to the field: Increase pay and benefits and offer state sponsored forgiveness programs for student loans.
- To increase the level of training: Offer forgiveness programs for student loans and reimbursements for out-of-state tuition. LPNs could be encouraged to go back for their associate degree, and students with associate degrees could be encouraged to go back for their B.S. degrees.
- To deal with the shortage of nursing programs and clinical settings in Alaska: Form joint ventures with other universities which have access to clinical facilities, particularly pediatric sites. Students could be encouraged to return to Alaska with incentives like student loan forgiveness and bonuses. Increase funding of UAA nursing programs which are losing faculty to other, better paying positions.
- To attract rural residents: Offer special preparatory training like the training offered in the pilot program by Kuskokwim Community College. Grants for living in Anchorage and special tutoring would make the transition from the bush to Anchorage for study more attractive.
- To attract nurses to jobs where there is a chronic shortage, such as intensive care and newborn care: Increase pay for these jobs in relation to other nursing fields and offer tuition reimbursements for training in these fields.
- To attract nurses to Alaska: Provide nurses in other areas with information about nursing opportunities and about Alaskan communities, as well as providing financial incentives and moving costs.

Table 1

Average Hourly Wage – RNs & LPNs 1988-89

	Registered Nurses		Licensed Practical Nurses	
Region	July 1988	July 1989	July 1988	July 1989
Statewide	$14.71	$15.61	$12.33	$12.12
Anchorage/Mat-Su	13.66	14.67	11.45	12.17
Interior	13.96	13.68	10.44	10.85
Southeast	15.77	17.40	13.06	12.68
Gulf Coast	13.92	16.88	13.21	12.87
Southwest	17.25	14.48	N/A	N/A
Northern	N/A	N/A	N/A	N/A

Source: Alaska Department of Labor, Research & Analysis

Summary

Alaska's nursing shortage is unique for several reasons: UAA does not graduate enough nursing students to meet Alaska's growing needs; there are hard to fill rural public health positions in the state; 90% of licensed nurses living in Alaska work in some aspect of the profession, which means that there is not a pool of nurses available for employment.

When surveyed, Alaskan nurses give the same reasons for discontent with their profession as nurses nationwide: low pay, poor working conditions and plateauing wages. Detailed information on the survey of licensed nurses is available from the Alaska Department of Labor, Research and Analysis, Occupational Information Unit.

About the author:

Cristina Klein is a labor economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor. She is based in Juneau.

AKCIS Provides Career Information on Shortage and Other Occupations

Current information on the nursing profession, health care professions, and other careers can be found in the Alaska Career Information System (AKCIS), available through the Alaska Employment Service, schools and vocational counselors. AKCIS provides occupational and educational information on careers, including the outlook for the profession, wages, educational and licensing requirements, school and financial information, as well as a bibliography of publications on various careers. Information on AKCIS is available through:

Alaska Career Information System
Department of Education
P.O. Box F
Juneau, Alaska 99811
(907) 465-4685

1990 Census – The Big Count

By Kathryn Lizik

1990 CENSUS

ALASKANS COUNT

Once every 10 years every man, woman, and child is counted in the nation's decennial census. It is one of the federal government's largest undertakings, short of mobilizing for war. The next census is scheduled for April 1, 1990. The U.S. Census Bureau will hire an "army" of 300,000 census-takers; check the location of the nation's 106 million housing units; and help gather vital information about 250 million people. The census results will be a snapshot of what the country looks like on census day, and they will be used to plan government policies for the next decade.

The mandate for the census is found in Article 1, Section 2 of the U.S. Constitution. Its primary purpose is to determine how many congressional representatives each state gets. The importance of the census has increased, however, for reasons beyond congressional representation. More than $30 billion in federal funds is allocated to the states according to formulas based on census data. State governments use the figures to allocate their financial resources and redraw legislative districts. Governments of all types use census information extensively

to plan for and locate new roads, schools, hospitals, housing projects and crime prevention programs. Businesses use the information for similar reasons, such as deciding where to put shopping centers or how to target advertising campaigns.

With so much riding on the outcome of the count, it's no wonder the total cost of planning, carrying out and providing the results of the census will be about $2.6 billion. More than $1.6 billion will be spent in 1990 alone to cover the costs of printing, labeling and assembling some 106 million questionnaire packages; generating over 7 million maps; and paying for the 300,000+ temporary workers which will be employed during the peak census-taking month of April.

First Results are Due to the President in December 1990

It is estimated that there are 20% more housing units to check and 25 million more people to count during the 1990 census than there were in 1980. Despite this increase, the Census Bureau must adhere to its decennial schedule. Nine months after the first questionnaires are received, apportionment counts must be delivered to the President (December 31, 1990). It is mandated that the States must receive their redistricting counts no later than April 1, 1991. The remaining volumes of social and economic data will gradually become available to the public beginning in early summer 1991.

The success of the census is not, however, entirely based on how much money the Census Bureau spends, nor how expeditious their enumeration schedule is. One of the primary ingredients guaranteeing its accuracy is a full response to the questionnaire by every household. One way of boosting response is making individuals aware that the census is coming, including how and when it will be happening in their area.

Rural Alaska: House-to-House Count Begins February 1990

Due to Alaska's uniqueness in geography and weather, the census is beginning earlier in all of its outlying areas. The enumeration process will be slightly different than in the urban areas. Beginning in early February, census-takers will walk the streets and trails of rural Alaska, contacting every housing unit to collect answers to the census questionnaire. This early operation has been arranged to avoid breakup and to catch those populations who seasonally migrate for hunting and fishing purposes.

Anchorage & Fairbanks: A Mail Out/Mail Back Questionnaire

In the Municipality of Anchorage and the City of Fairbanks, the most automated enumeration will be conducted, defined as mail-out/mail-back. Questionnaires, pre-addressed with the housing unit's actual street number will be delivered to each structure one week prior to census day, by the postal service. Respondents will be instructed to fill out the form and mail it back to the Census Bureau.

Remaining Urban Alaska – A Mail Out/Pick Up Questionnaire

Many of the remaining urban areas will participate in the census operation referred to as regular list enumerate. These households will have a questionnaire delivered to them via mail about a week before April 1, 1990. They will be instructed to fill out the form and wait for a census taker to contact them at their home for pick up of the questionnaire.

In all cases, census takers will be following up all unreturned forms by physically visiting any missed or nonresponse housing units.

In summary, active involvement by all Alaskans to stand up and be counted will ensure accurate and credible data for redistricting, federal and state dollar redistribution, and for the business community to make informed decisions on investing in the future of our state.

How's The Census Being Done In Your Area?

Mailout/Mailback

Anchorage Borough
City of Fairbanks

Mailout/Pickup

City of Cordova & vicinity
City of Haines & vicinity
Juneau Borough
Kenai Borough
City of Ketchikan & vicinity
Mat-Su Borough
Balance of North Star Borough
City of Petersburg & vicinity
Sitka Borough
City of Skagway & vicinity
City of Valdez & vicinity
City of Wrangell & vicinity

Remote List Enumerate

Rest of Alaska

About the author:

Kathryn Lizik is a labor economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor. She is based in Juneau.

Spill Work Force Begins To Demobilize— Employment Picture Still Good

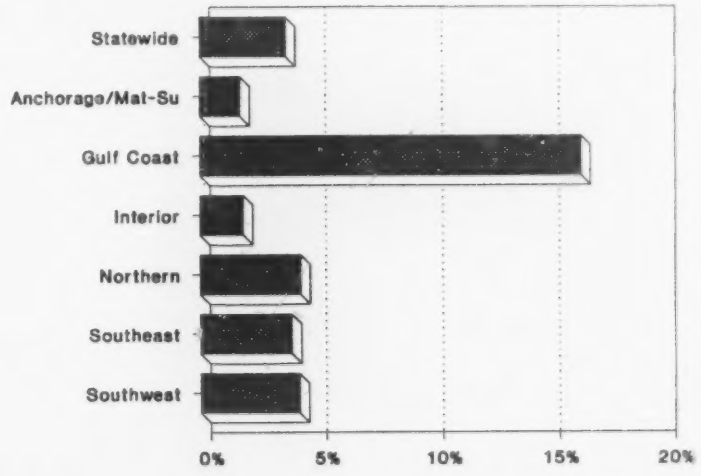
By Neal Fried

Demobilization of the oil cleanup work force began in earnest in September, one consequence being a relatively sharp rise in Alaska's September jobless rate. The unemployment rate climbed from 5.9% in August to 7.3% in September as more than 3,000 additional workers joined the ranks of the unemployed. (See Table 4.) This development ended the string of record low unemployment rates achieved over the past six months. On the bright side, September's jobless rate remained below 1988s level, and the number of unemployed fell 3,445 short of year-ago levels.

Despite a rising unemployment rate, the employment picture remains encouraging. Employment registered 4.1% growth compared to last September. (See Table 1.) This is a deceleration in the growth rate, particularly compared to the peak rate of 5.6% in August. However, if direct oil spill jobs are subtracted, employment would have still grown over the year. Thus, while the rate of employment growth will continue to taper off during the remainder of the year, 1989 will end on a positive note.

Figure 1

Employment Growth by Region
Nine Month Average, 1988 vs. 1989



Source: Alaska Department of Labor, Research & Analysis.

Many Indicators Point to Revived Economic Activity...

Employment was not the only economic indicator to exhibit strength in 1989. Literally dozens of other economic indicators are now corroborating what employment has been telling us for most of the year. To mention just a few:

- Alaska's total personal income, a good overall measure of economic well-being, increased 8% from the 2nd quarter of 1988 to the 2nd quarter of 1989.
- School enrollments in most districts are climbing again- Including the school districts in Anchorage, Matanuska-Susitna Borough, Fairbanks North Star Borough, Juneau, and the Kenai Peninsula Borough.
- Vacancy rates for commercial space fell in most of the communities hardest hit by the recession.

- A number of banks recorded stronger profits after some very turbulent years for the industry.
- Freight volume coming through most of Alaska's ports is up.
- In June and August the number of housing units sold by Alaska Housing Finance Corporation outpaced the number foreclosed on.
- The number of business bankruptcies keeps falling.
- The column inches of "Help Wanted" ads in Anchorage's newspapers keep increasing.

...But Grim Reminders of the Recession Remain

The good news signalled by these indicators is tempered by grim reminders that the recession is still taking its toll. Personal bankruptcies, for example, are still climbing. In August, these bankruptcies were 18% higher than year-ago levels as individuals struggled out from underneath the economic rubble left from the recession. The value of construction awards has not turned the corner. Loan activity is still declining because of weak demand for new loans, while the writing off of bad loans continues.

Direct and Indirect Effects of Demobilization are Softening Employment Figures

The phase-out of the oil spill cleanup work force began in earnest in September after token declines in August. Approximately 2,700 cleanup workers lost their jobs in September. This loss includes only the direct oil spill workers being counted in the water transportation sector. (See Figure 1.) It does not include self-employed spill workers, an example being the skippers or some of the crew for many vessels involved in the effort.

Other oil spill-related losses appear in our overall employment figures but they cannot be readily identified since they are masked by other activity taking place in that particular industry. For example, hotel employment fell 12% in

Table 1

Nonagricultural Wage and Salary Employment By Place of Work

Alaska

	p/ 9/89	r/ 8/89	9/88	Changes from: 8/89	9/88
Nonag. Wage & Salary	233,700	239,400	224,200	-5,700	9,500
Mining	10,900	11,000	9,900	-100	1,000
Construction	11,300	11,400	11,100	-100	200
Manufacturing	16,900	22,000	17,500	-5,100	-600
Seafood Processing	9,100	14,100	9,700	-5,000	-600
Lumber & Paper Products	4,200	4,200	4,300	0	-100
All Other Manufacturing	3,600	3,700	3,500	-100	100
Trans., Comm. & Utilities	22,000	24,700	18,200	-2,700	3,800
Trucking & Warehousing	2,400	2,400	2,300	0	100
Water Transportation	4,300	7,000	1,200	-2,700	3,100
Air Transportation	6,000	6,200	5,600	-200	400
Communications	3,300	3,200	3,300	100	0
All Other Transportation	6,000	5,900	5,800	100	200
Trade	45,300	46,100	43,900	-800	1,400
Wholesale	8,100	8,300	7,800	-200	300
Retail	37,200	37,800	36,100	-600	1,100
Gen. Merch. & Apparel	5,400	5,500	5,100	-100	300
Food Stores	6,500	6,500	6,200	0	300
Eating & Drinking Places	14,000	14,300	13,700	-300	300
All Other Retail	11,300	11,500	11,100	-200	200
Finance, Ins. & Real Estate	10,600	10,700	10,700	-100	-100
Services	45,800	47,000	44,300	-1,200	1,500
Hotels & Other Lodging	5,800	6,300	5,400	-500	400
Government	70,900	66,500	68,600	4,400	2,300
Federal	18,500	18,600	18,400	-100	100
State	21,900	19,900	20,600	2,000	1,300
Local	30,500	28,000	29,600	2,500	900

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark date: March 1988

p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Table 2

Nonagricultural Wage and Salary Employment By Place of Work

Anchorage Borough

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	106,750	106,550	103,950	200	2,800
Mining	3,700	3,800	3,600	-100	100
Construction	5,100	5,050	4,950	50	150
Manufacturing	2,650	3,300	2,600	-650	50
Trans., Comm. & Utilities	10,200	10,150	9,500	50	700
Trucking & Warehousing	1,600	1,550	1,450	50	150
Water Transportation	550	550	350	0	200
Air Transportation	3,600	3,700	3,450	-100	150
Communications	1,850	1,850	1,800	0	50
All Other Transportation	2,600	2,500	2,450	100	150
Trade	25,750	25,900	24,850	-150	900
Wholesale	5,850	5,950	5,750	-100	100
Retail	19,900	19,950	19,100	-50	800
Gen. Merch. & Apparel	2,700	2,650	2,650	50	50
Food Stores	3,050	3,050	2,850	0	200
Eating & Drinking Places	7,950	8,000	7,750	-50	200
All Other Retail	6,200	6,250	5,850	-50	350
Finance, Ins. & Real Estate	6,900	6,900	7,100	0	-200
Services	25,950	26,050	25,250	-100	700
Government	26,500	25,400	26,100	1,100	400
Federal	10,200	10,300	10,350	-100	-150
State	7,650	6,700	7,250	950	400
Local	8,650	8,400	8,500	250	150

Fairbanks North Star Borough

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	27,700	27,450	27,000	250	700
Mining	200	200	200	0	0
Construction	2,000	2,000	2,000	0	0
Manufacturing	650	700	700	-50	-50
Trans., Comm. & Utilities	2,200	2,150	2,000	50	200
Trucking & Warehousing	450	450	400	0	50
Air Transportation	350	350	300	0	50
All Other Transportation	1,400	1,350	1,300	50	100
Trade	6,300	6,500	6,150	-200	150
Wholesale	750	800	700	-50	50
Retail	5,550	5,700	5,450	-150	100
Food Stores	800	800	800	0	0
All Other Retail	4,750	4,900	4,650	-150	100
Finance, Ins. & Real Estate	800	800	800	0	0
Services	5,850	6,200	5,800	-350	50
Government	9,700	8,900	9,350	800	350
Federal	2,850	2,900	2,800	-50	50
State	4,150	3,650	3,950	500	200
Local	2,700	2,350	2,600	350	100

Anchorage-MatSu Region

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	113,800	113,400	110,600	400	3,200
Mining	3,700	3,800	3,600	-100	100
Construction	5,350	5,250	5,300	100	50
Manufacturing	2,800	3,500	2,700	-700	100
Trans., Comm. & Utilities	10,900	10,750	10,200	150	700
Trade	27,400	27,550	26,450	-150	950
Finance, Ins. & Real Estate	7,350	7,350	7,500	0	-150
Services	27,350	27,650	26,400	-300	950
Government	28,950	27,550	28,450	1,400	500

Interior Region

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	32,350	32,000	31,450	350	900
Mining	350	400	350	-50	0
Construction	2,150	2,150	2,150	0	0
Manufacturing	650	700	700	-50	-50
Trans., Comm. & Utilities	2,650	2,650	2,450	0	200
Trade	6,800	6,900	6,700	-100	100
Finance, Ins. & Real Estate	900	900	900	0	0
Services	6,550	6,950	6,450	-400	100
Government	12,300	11,350	11,750	950	550

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark date: March 1988 p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

(cont. on page 17)

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	35,000	35,850	33,450	-850	1,550
Mining	300	300	200	0	100
Construction	1,400	1,400	1,250	0	150
Manufacturing	6,400	7,200	6,450	-800	-50
Seafood Processing	2,250	3,000	2,150	-750	100
Lumber & Paper Prod.	3,900	3,950	4,000	-50	-100
All Other Manufacturing	250	250	300	0	-50
Trans., Comm. & Utilities	2,600	2,700	2,450	-100	150
Trade	5,450	5,600	5,150	-150	300
Wholesale	550	550	450	0	100
Retail	4,900	5,050	4,700	-150	200
Finance, Ins. & Real Estate	1,000	1,050	1,000	-50	0
Services	5,450	5,650	5,150	-200	300
Government	12,400	11,950	11,800	450	600
Federal	2,250	2,250	2,100	0	150
State	5,650	5,450	5,350	200	300
Local	4,500	4,250	4,350	250	150

Southwest Region

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	14,300	15,650	13,800	-1,350	500
Seafood Processing	3,150	4,950	2,800	-1,800	350
All Other Private	4,850	5,100	4,750	-250	100
Government	6,300	5,600	6,250	700	50
Federal	1,350	1,350	1,300	0	50
State	550	550	550	0	0
Local	4,400	3,700	4,400	700	0

Gulf Coast Region

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	24,850	29,300	21,500	-4,450	3,350
Mining	850	850	850	0	0
Construction	1,100	1,100	1,100	0	0
Manufacturing	3,850	5,350	4,400	-1,500	-550
Seafood Processing	3,100	4,600	3,700	-1,500	-600
All Other Manufacturing	750	750	700	0	50
Trans., Comm. & Utilities	4,400	7,050	1,450	-2,650	2,950
Trade	4,000	4,400	3,850	-400	150
Wholesale	550	700	550	-150	0
Retail	3,450	3,700	3,300	-250	150
Finance, Ins. & Real Estate	550	550	550	0	0
Services	3,900	4,150	3,600	-250	300
Government	6,200	5,850	5,700	350	500
Federal	650	650	650	0	0
State	2,200	1,950	1,850	250	350
Local	3,350	3,250	3,200	100	150

Northern Region

	p/ 9/89	r/ 8/89	Changes from: 9/88	8/89	9/88
Nonag. Wage & Salary	14,650	14,500	13,950	150	700
Mining	5,750	5,650	5,050	100	700
All Other Private	4,250	4,550	4,150	-300	100
Government	4,650	4,300	4,750	350	-100
Federal	400	400	400	0	0
State	350	300	350	50	0
Local	3,900	3,600	4,000	300	-100

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark date: March 1988 p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Table 3

Alaska Hours and Earnings for Selected Industries [1/2]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 9/89	r/ 8/89	9/88	p/ 9/89	r/ 8/89	9/88	p/ 9/89	r/ 8/89	9/88
Mining	$1,132.46	$1,073.96	$1,140.65	51.9	49.4	49.4	$21.82	$21.74	$23.09
Construction	1,185.60	1,121.01	1,087.20	48.0	47.4	45.0	24.70	23.65	24.16
Manufacturing	546.40	611.51	492.67	41.3	53.5	38.4	13.23	11.43	12.83
Seafood Processing	370.72	533.69	283.72	38.9	58.2	34.6	9.53	9.17	8.20
Lumber & Paper Prod.	735.67	745.92	756.42	45.3	45.4	44.6	16.24	16.43	16.96
Trans., Comm. & Utilities	748.98	929.33	577.94	50.2	50.7	35.5	14.92	18.33	16.28
Trade	387.25	394.84	376.20	34.3	35.7	33.5	11.29	11.06	11.23
Wholesale	533.69	518.21	529.45	39.3	38.5	38.2	13.58	13.46	13.86
Retail	339.75	352.55	323.78	32.7	34.7	31.9	10.39	10.16	10.15
Finance-Ins. & R.E	421.08	403.77	412.45	36.3	35.7	34.2	11.60	11.31	12.06

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1988

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

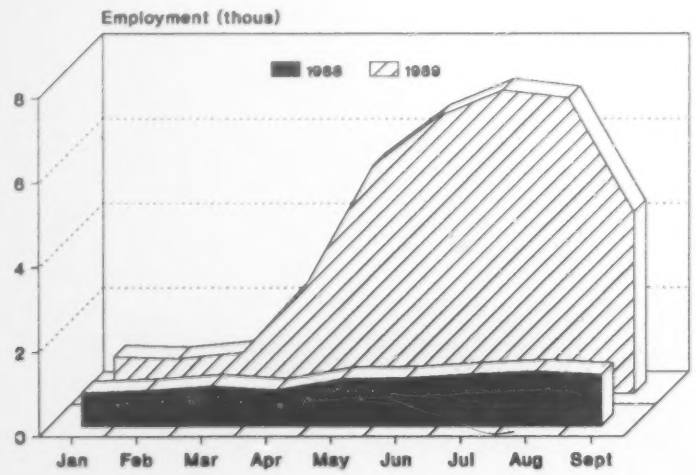
2/ Excludes eating and drinking establishments.

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

Figure 2

Oil Spill Boosts Alaska's Water Transportation in 1989



Source: Alaska Department of Labor, Research & Analysis.

the Gulf Coast region in September. (See Table 2.) How much of it was due to the end of the tourist season or oil spill cleanup work cannot be readily pinpointed.

Red Dog Mine Boosting This Season's Construction Employment

The oil spill cleanup wasn't the only large scale employment project this summer. The Red Dog Mine in Northwest Alaska is the site of the single largest construction project in the state today. Although no ore has been shipped out of the $465 millon zinc and lead mine, it has been an extremely busy place this year — possibly the busiest it will ever be. In September, Red Dog had almost 700 construction workers employed. Almost 200 were working on a conveyor system and camp at the port. The rest were working at the mine site assembling the mill. In addition to the construction workers, 100 miners also had jobs at the mine. The first ore

should be shipped out in December. When the mine is fully operational, a force of 300 permanent employees will be working at the site.

Elsewhere the Construction Industry is Still Struggling

Although this boost from Red Dog has helped construction employment pull itself above year-ago levels (2%), the industry is still shrinking. The value of construction awards, as measured by McGraw-Hill's Dodge Reports, is still falling. Construction awards were down 24% for the first eight months of 1989. Nonresidential construction has been particularly hard hit—down 42% from year ago levels. This is not surprising, given the excess amount of commercial space on the market in most communities. The present levels of construction employment, particularly on the nonresidential side, may be hard to sustain as military-related construction in Fairbanks begins to wind down and Red Dog goes into its production phase.

Gulf Coast Continues to Pace Employment Growth . . .

Figure 2 illustrates the magnitude of employment growth in different regions of the state. Leading the pack is the Gulf Coast region, although its lead is shrinking quickly because of demobilization of the oil cleanup work force. Even without the oil spill, the employment picture in the region would have been positive in 1989. Unemployment in the region rose sharply in September because of the conclusion of the salmon season and the demobilization. As an example, Kodiak's unemployment rate tripled from 1.9% in August to 6.8% in September.

. . . Followed By Southeast, Northern and Southwest . . .

Southeast's employment picture remains solid after a near record salmon harvest and a strong tourism season. Local and state government employment is also contributing to the region's economic strength. The only weakness is in the region's timber industry, which has softened because of weather related problems.

The Northern and Southwest regions are also enjoying better than average employment growth. Red Dog and oil industry activity is keeping the Northern region on a strong track. Bottomfishing activity, largely centered around Dutch Harbor, is helping to boost Southwest's employment. Southwest was the only region in the state where September's fish processing employment figures showed over-the-year growth.

. . . While Interior and Anchorage/MatSu Bring up the Rear

The Interior and Anchorage-MatSu regions are lagging behind the rest of the state's growth, but they are pushing ahead nevertheless. No single industry is specifically responsible for the employment growth in these two regions. A combination of activity in the service industry, retail trade, and government is contributing to the regions' strength. Fairbanks employment figures grew in September. One of the main reasons is because the University of Alaska, one of Fairbanks' largest employers, brought back most of its staff and faculty for the new school year.

Summary: Employment Picture Loses Some Of Its Robustness

Alaska's unemployment rate rose more sharply than usual in September as demobilization of the oil spill work force commenced. However, in spite of loss of jobs, unemployment is lower and employment is higher than a year ago. This situation will most likely continue through the remainder of the year, bolstered by a trend in employment growth which existed prior to the spill.

Employment is not the only positive economic indicator. A host of other telltale indicators are lining up on the plus side of Alaska's economic ledger. Vacancy rates, personal income, school enrollments, the salmon harvest, freight, bank profits, and a multitude of other statistics are confirming what the employment numbers have been telling us all year.

Not all the news is upbeat—personal bankruptcies are still climbing and the construction industry remains relatively soft. However, these weaknesses also occurred in prior years and are not necessarily a reflection on the present economic situation.

Errata:

In the September issue of Alaska Economic Trends, there were some errors in Table 1, page 21, for the number of VECO oil spill cleanup workers by residence. The corrected table should read:

Anchorage	1,271
Kodiak Island Borough	723
Valdez-Cordova Census Area	484
Kenai Peninsula Borough	436
Fairbanks North Star Borough	308
Matanuska-Susitna Borough	282
Balance of the state	243
Out of state	343
Total	4,090

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Table 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	p/ 9/89	r/ 8/89	9/88	p/ 9/89	r/ 8/89	9/88	p/ 9/89	r/ 8/89	9/88	p/ 9/89	r/ 8/89	9/88
Alaska Statewide	241,843	249,771	242,226	17,557	14,658	21,002	7.3%	5.9%	8.7%	224,286	235,113	221,224
Anch.-MatSu Region	121,866	122,827	124,210	8,323	6,894	10,444	6.8	5.6	8.4	113,543	115,933	113,766
Anchorage Borough	107,732	108,901	110,101	6,473	5,420	8,280	6.0	5.0	7.5	101,259	103,481	101,821
MatSu Borough	14,134	13,926	14,109	1,850	1,474	2,164	13.1	10.6	15.3	12,284	12,452	11,945
Gulf Coast Region	29,104	34,157	26,929	2,140	1,629	2,827	7.4	4.8	10.5	26,964	32,528	24,102
Kenai Peninsula Borough	18,060	21,300	17,089	1,484	1,304	2,273	8.2	6.1	13.3	16,576	19,996	14,816
Kodiak Island Borough	6,673	7,642	5,876	456	143	319	6.8	1.9	5.4	6,217	7,499	5,557
Valdez-Cordova	4,371	5,215	3,964	200	182	235	4.6	3.5	5.9	4,171	5,033	3,729
Interior Region	34,971	34,956	35,815	3,152	2,699	3,932	9.0	7.7	11.0	31,819	32,257	31,883
Fairbanks North Star Bor.	30,224	30,246	31,050	2,668	2,310	3,438	8.8	7.6	11.1	27,556	27,936	27,612
Southeast Fairbanks	1,956	1,910	1,988	163	93	192	8.3	4.9	9.7	1,793	1,817	1,796
Yukon-Koyukuk	2,791	2,800	2,777	321	296	302	11.5	10.6	10.9	2,470	2,504	2,475
Northern Region	8,171	8,046	8,188	751	664	752	9.2	8.3	9.2	7,420	7,382	7,436
Nome	3,087	3,064	3,098	320	311	325	10.4	10.2	10.5	2,767	2,753	2,773
North Slope Borough	2,948	2,910	2,933	180	156	159	6.1	5.4	5.4	2,768	2,754	2,774
Northwest Arctic Borough	2,136	2,072	2,157	251	197	268	11.8	9.5	12.4	1,885	1,875	1,889
Southeast Region	35,664	36,985	35,019	2,376	2,124	2,230	6.7	5.7	6.4	33,288	34,861	32,789
Haines Borough	880	906	868	64	52	65	7.3	5.7	7.5	816	854	803
Juneau Borough	16,243	16,829	15,950	1,033	899	968	6.4	5.3	6.1	15,210	15,930	14,982
Ketchikan Gateway Bor.	6,514	6,791	6,406	419	408	402	6.4	6.0	6.3	6,095	6,333	6,004
Pr. of Wales-Outer Ketch.	2,711	2,794	2,694	247	214	267	9.1	7.7	9.9	2,464	2,580	2,427
Sitka Borough	4,200	4,372	4,150	221	205	230	5.3	4.7	5.5	3,979	4,167	3,920
Skagway-Yakutat-Angoon	1,592	1,683	1,566	116	137	112	7.3	8.1	7.2	1,476	1,546	1,454
Wrangell-Petersburg	3,524	3,610	3,385	276	209	186	7.8	5.8	5.5	3,248	3,401	3,199
Southwest Region	12,067	12,800	12,065	815	648	817	6.8	5.1	6.8	11,252	12,152	11,248
Aleutian Islands	3,300	3,534	3,323	74	50	98	2.2	1.4	2.9	3,226	3,484	3,225
Bethel	4,655	4,912	4,599	421	339	366	9.0	6.9	8.0	4,234	4,573	4,233
Bristol Bay Borough	436	456	452	19	5	35	4.4	1.1	7.7	417	451	417
Dillingham	2,137	2,259	2,118	126	87	107	5.9	3.9	5.1	2,011	2,172	2,011
Wade Hampton	1,539	1,639	1,573	175	167	211	11.4	10.2	13.4	1,364	1,472	1,362

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: 1988

- Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.
- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definitions of unemployment currently in place exclude anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.
- The employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.

Source: Alaska Department of Labor, Research & Analysis Section.

Alaska Economic Regions